No. 89-1166

In The

Supreme Court of the United States

October Term, 1989

ARTHUR GROVES, BOBBY J. EVANS
and LOCAL 771, INTERNATIONAL UNION UAW,

Petitioners,

v.

RING SCREW WORKS,
FERNDALE FASTENER DIVISION,

Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

– AND APPENDIX –

CLARK, HARDY, LEWIS,
POLLARD AND PAGE, P.C.
By: TERENCE V. PAGE P 18586
Counsel of Record
RICHARD M. TUYN P 29091
401 South Woodward Avenue
Suite 400
Birmingham, Michigan 48009
(313) 645-0800

Attorneys for Respondent

Interstate Brief & Record Company, a division of North American Graphics, Inc.
1629 West Lafayette Boulevard, Detroit, MI 48216 (313) 962-6230

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COUNTER-STATEMENT OF THE CASE

Petitioners Arthur Groves and Bobbie J. Evans were hourly employees at divisions of Respondent Ring Screw Works ("the Company"). Both were represented for purposes of collective bargaining by UAW Local 771. Each Petitioner claimed he had been dismissed in violation of his collective bargaining agreement. Each attempted to gain reinstatement to his job by following the grievance procedure set forth in the collective bargaining agreement.

Article IV, Section 1 of the collective bargaining agreements provides that should a difference arise between the Company and the Union, or its members employed by the Company, as to the meaning and appli-

cation of the provisions of the agreement, an earnest effort would be made to settle the difference through a multi-step grievance procedure. Step five provides that "[t]he Shop Committee and the Company may call in an outside representative to assist in settling the difficulty. (This may include arbitration by mutual agreement in discharge cases only)." Res. App. A-4.

Article IV, Section 6 provides that "[a]n agreement reached between the Company and the Shop Committee under the grievance procedure shall be binding on all employees affected and cannot be changed by any individual." Res. App. A-6 – A-7.

Section 4 provides that unresolved grievances (except arbitration decisions) shall be handled as set forth in Article XVI, Section 7. Res. App. A-6. Article XVI, Section 7 provides, in effect, that where all negotiations have failed through the grievance procedure, the Union is released from its no-strike pledge and the Company is released from its no-lockout pledge. Res. App. A-23 – A-24.

The parties do not dispute that the grievance procedures set forth in the collective bargaining agreements were properly followed to their conclusion, nor do they dispute that Petitioners received competent representation from their Union. Arbitration was declined by the Company in each Petitioner's case. As such, pursuant to the provisions of the collective bargaining agreements, this left the Union with the final option to strike, which it declined to exercise in both cases. Pet. App. 4a.

Petitioners then filed separate lawsuits, each of which joined their Union as a Co-Plaintiff. Since the Petitioners were merely dissatisfied with the results of the grievance process and could show no legally cognizable reason for judicial review of their claims, the Company

moved for summary judgment as to both Petitioners' claims. The United States District Court for the Eastern District of Michigan, Southern Division, granted the Company's Motion for Summary Disposition, holding that Petitioners were bound by the terms and remedies of their respective collective bargaining agreements. Pet. App. 19a, 28a.

Both Petitioners appealed. The United States Court of Appeals for the Sixth Circuit affirmed the trial court's decision. Pet. App. 1a-12a. Petitioners' request for an en banc hearing before the Sixth Circuit was denied. Pet. App. 15a. Petitioners now seek this Court's review of the judgment of the Sixth Circuit.

REASONS FOR DENYING THE WRIT

Petitioners request this Court to grant certiorari on the basis that the Sixth Circuit's decision in this case is contrary to the national labor policy. Respondents assert the Petition for Writ for Certiorari should be denied because the Sixth Circuit opinion is consistent with the national labor policy, as construed by this Court, that courts will give full play to the means chosen by the participants to a collective bargaining agreement for settlement of their disputes. This Court has consistently held that an employee is bound by the grievance remedies agreed upon in arms-length negotiations between the employer and the union.

Petitioners further claim this Court's review is necessary to resolve a conflict between the circuits. Not every perceived conflict between the circuits, however, merits review by this Court. In view of the ever-increasing number of petitions it receives, this Court has tended to accept cases for review by certiorari only when the case presents a conflict among circuits on an

important federal question. The question presented in this Petition for Writ of Certiorari is not such a question. Petitioners have failed to present any evidence that the particular form of grievance procedure contained in the collective bargaining agreements in this case is contained in a significant number of collective bargaining agreements.

Since the provisions of a collective bargaining agreement are arrived at through the give and take of arms-length negotiations, a national labor policy has developed which defers to the participants' own bargained-for resolution whenever possible. Since the opinion below is consistent with that policy, this Court should decline to review the matter and deny Petitioners' Petition for Writ of Certiorari.

I.

THE DECISION BELOW IS CONSISTENT WITH THE NATIONAL LABOR POLICY.

Congress explicitly stated in Section 203(d) of the Labor Management Relations Act, 29 U.S.C. § 173(d), that in settling grievance disputes, the Act contemplated that the method agreed upon by parties to the collective bargaining agreement should be the means of settling the disputes. In the *Steelworkers' Trilogy*,[1] this Court has conclusively held that under § 301

[1] *See United Steelworkers of America* v. *American Manufacturing Company*, 363 U.S. 564 (1960); *United Steelworkers of America* v. *Warrior & Gulf Navigation Co.*, 363 U.S. 574 (1960); *United Steelworkers of America* v. *Enterprise Wheel and Car Corp.*, 363 U.S. 593 (1960).

of the Labor-Management Relations Act, 29 U.S.C. § 185, an employee is bound by the results of the procedure which his representative union has chosen in agreement with the employer for the resolution of their disputes. This holding is now commonly referred to as the "finality rule."

In discussing national labor policy, the Fifth Circuit in *Haynes* v. *United States Pipe & Foundry Co.*, 362 F.2d 414 (5th Cir. 1966) stated:

> Of the three available forums for the resolution of disputes — contractual grievance procedure such as arbitration, or the court, or the picket line — the Supreme Court has consistently sanctioned the one chosen by the parties in their collective agreement . . . . The court has opened the doors of the courthouse only when the parties have chosen this forum over the others.

Haynes at 416-17; *See also Smith* v. *Evening News*, 371 U.S. 195 (1962); *Atkinson* v. *Sinclair Refining Co.*, 370 U.S. 238 (1962).

Petitioners cite out-of-context quotes from *Textile Workers* v. *Lincoln Mills*, 353 U.S. 448 (1957), to support their position that the national labor policy permits employees who are unhappy with the final results of their grievance procedure to seek review in the federal courts. In fact, *Lincoln Mills, supra*, which was decided before the *Steelworkers' Trilogy*, stands for the opposite proposition. The national labor policy inherent in *Lincoln Mills* and its progeny is that an employee is

bound by the grievance remedies his union has negotiated. *See Haynes* v. *United States Pipe & Foundry Co.*, 362 F.2d 414, 417 (5th Cir. 1966).

The quote cited by Petitioners from page 453 of the *Lincoln Mills* opinion must be viewed in context, considering the issue which was before the court at that time. In *Lincoln Mills*, the employer and the employees' union had negotiated a collective bargaining agreement which provided that the last step in the grievance procedure was arbitration. Arbitration could be requested by either party. The grievances at issue were processed through the grievance procedure and were denied by the employer. The union requested arbitration and the employer refused. The union then brought suit to compel arbitration. 353 U.S. at 449.

The issue before the Supreme Court was whether Section 301 of the Labor Management Relations Act of 1947, 29 U.S.C. § 185, was merely jurisdictional or whether it authorized the federal court to fashion a body of federal law for the enforcement of collective bargaining agreements. The Court held that the Norris-LaGuardia Act, 29 U.S.C. § 101, did not withdraw from the federal district courts their jurisdiction under Section 301 to compel arbitration of grievance disputes as provided in the collective bargaining agreement.' 353 U.S. at 458.

Thus, when the Court quoted the 1947 Senate Report which says, "We feel that the aggrieved parties should also have a right of action in the federal court . . . ," it was doing so in the context of discussing whether the federal court had jurisdiction to compel the parties to a collective bargaining agreement to abide by the terms of the agreement. 353 U.S. at 453. Petitioners' use of this quote to 'stand for the proposition that an employee unhappy with the results of the grievance

procedure may disregard the exclusivity of that procedure and bring suit against his employer in federal court misstates the law.

Petitioners also suggest that the national labor policy expresses a preference of judicial remedy over the use of economic weapons. A long line of cases from this Court and the appeals courts of various circuits makes clear that the national labor policy requires the courts to give full play to the means chosen by the parties to a collective bargaining agreement for settlement of their disputes. An employee is bound by the grievance remedies his union negotiates.

As previously stated, the collective bargaining agreement in this case was arrived at through arms-length negotiation with the UAW, a powerful and sophisticated union which was certainly at no disadvantage during the collective bargaining process. Petitioners' Union bargained for and agreed to the strike/lock-out option as the final step in dispute resolution if the grievance procedure failed to resolve the matter. The national labor policy mandates that Petitioners are bound by that agreement. Since the Sixth Circuit's opinion in this case follows that mandate, this Court should decline to review the matter and deny the Petition for Writ of Certiorari.

The court in *Haynes, supra,* concluded its opinion with an observation very appropriate to this case:

> This is a run-of-the-[mill] case where the grievance procedure was followed and the adverse decision against appellant became final. Being dissatisfied, he sought to start anew in the face of the bar of the final decision under the grievance procedure. This he may not do under the current status of federal labor law as we understand it.

362 F.2d at 418.

II.

THE QUESTION PRESENTED BY PETITIONERS IS BEST LEFT TO A CASE-BY-CASE REVIEW BY THE CIRCUITS.

Supreme Court Rule 17 sets forth the considerations governing review on certiorari. The Rule states that a review on Writ of Certiorari "is not a matter of right, but of judicial discretion, and will be granted *only* when there are *special* and *important* reasons therefor." Supreme Court Rule 17.1 (emphasis added). This Court has stated that "'special and important reasons' imply a reach to a problem beyond the academic or the episodic. This is especially true where the issues involved reach constitutional dimensions, for then there comes into play regard for the Court's duty to avoid decision of constitutional issues unless avoidance become evasion." *Rice* v. *Sioux City Memorial Park Cemetery, Inc.*, 349 U.S. 70, 74, (1955).

Rule 17 then sets forth three examples of the type of reasons which might cause the Court to exercise its discretion and grant review. One reason which might merit the Court's review is that a federal court of appeals has rendered a decision which is in conflict with either the decision of another federal court or a state court of last resort. Petitioners claim the decision rendered by the Sixth Circuit in this case presents such a conflict.

Not every perceived conflict among circuits, however, merits a grant of certiorari. The rationale for granting certiorari to resolve conflicts among circuits is to achieve uniform application of federal law in the circuits. Therefore, the Court has not been inclined to grant certiorari to resolve a conflict over an issue which

is unlikely to recur or which results from a unique factual situation.[2]

Due to of the ever-increasing number of petitions it receives, this Court has tended to accept cases for review by certiorari only when the case presents a conflict among circuits on an important federal question. *See Charles D. Bonanno Linen Service, Inc.* v. *National Labor Relations Board*, 454 U.S. 404, (1982) (Court considers whether a bargaining impasse justifies an employer's unilateral withdrawal from a multi-employer bargaining unit); *National Labor Relations Board* v. *Robbins Tire and Rubber Co.*, 437 U.S. 214 (1978) (Court considers whether the Freedom of Information Act requires the National Labor Relations Board to disclose, prior to its hearing on an unfair labor practice complaint, statements of witnesses whom the board intends to call at the hearing). *See also* Justice Stevens' separate opinion in *Watt* v. *Alaska*, 451 U.S. 259, 273-74 (1981).

The paucity of cases upon which Petitioners rely to support their claim that there is a division among the circuits suggests that the division is not as deep as Petitioners would lead this Court to believe. The collective bargaining agreement in this case provides that when all negotiations have failed through the grievance procedure, the Union is released from its no-strike pledge and the Company is released from its no lock-out pledge. Petitioners have failed to present any evidence that this clause appears in a significant number of collective bargaining agreements. In fact, this bargained-for clause arises in a very small percentage of collective bargaining agreements in this country.

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[2] *See* 13 J. Moore, H. Bendix & B. Ringle, Moore's Federal Practice § 817.21 (2d ed. 1988). *See also* Harlan, Manning the Dikes (1958), 13 *Record NYCBA* 541, 555.

Further, the collective bargaining agreement in this case was arrived at through arms-length negotiations with the United Auto Workers, a bargaining representative which was certainly under no inherent disadvantage in the bargaining process. The fundamental precept of collective bargaining is that concessions are made in return for advantages elsewhere in the agreement. Because the provisions of a collective bargaining agreement are arrived at through the give-and-take of arms-length negotiation, a national labor policy has developed which defers to the participants' own bargained-for resolution whenever possible. Petitioners now seek this Court's intervention by claiming this case presents an important federal question over which the circuits are divided. This Court has already conclusively held, however, that under Section 301 of the Labor-Management Relations Act, 29 U.S.C. § 185, an employee is bound by the results of the procedure which his representative union has chosen in agreement with the employer for the resolution of their disputes.[3]

When judicial resolution is mandated, these matters are best reviewed on a case-by-case basis. In this case, the Sixth Circuit affirmed the trial court's order of summary judgment in Petitioners' cases based upon the established precedent that where the collective bargaining agreement contains procedures for settlement of disputes through grievance and arbitration, these contractual remedies are exclusive and binding on individual employees. An employee who is merely unhappy with the final resolution of his grievance through the grievance procedure may not proceed in federal court on a § 301 action against his employer without alleging that his union has breached the duty of fair representa-

[3] *See* the *Steelworkers' Trilogy* cited in Fn 1, *supra*.

tion. *Fortune* v. *National Twist Drill & Tool Division, Inc.*, 684 F.2d 374 (6th Cir. 1982); *Haynes* v. *United States Pipe & Foundry Co.*, 362 F.2d 414 (5th Cir. 1966).

Further, after the Sixth Circuit affirmed the trial court's order granting Defendant's motion for summary judgment in this case, Petitioners moved for an en banc review of the decision. Not one judge voted to hear the case en banc. The petition for rehearing was then referred to the original panel. The panel reviewed the petition for rehearing and concluded the issues raised in the petition were fully considered upon original submission. Pet. App. 15a.

Petitioners also claim that the decision below is inconsistent with that of the Michigan Supreme Court in *Breish* v. *Ring Screw Works*, 397 Mich. 586, 248 N.W.2d 526 (1976). The decision in *Breish*, however, does not present a conflict worthy of this Court's review, since the *Breish* opinion has been rejected by the Sixth Circuit and other federal circuits as being a poorly reasoned and flawed analysis of federal labor law.

In *Breish*, the plaintiff, who claimed wrongful discharge, had a collective bargaining agreement which made no provisions for arbitration. Nevertheless, his union was permitted to take a strike vote in case the grievance process was resolved unfavorably to the employee. The union declined to strike over the plaintiff's grievance. *Id.* at 590-91, 248 N.W.2d at 527-28.

Breish and Petitioners' case present factually similar situations. Most significantly, the plaintiff in *Breish*, like the Petitioners in the present cases, attempted to circumvent the finality rule without suing his union for breach of the duty of fair representation. The Michigan Supreme Court allowed the plaintiff in *Breish* to do so first by finding the grievance procedure in his

collective bargaining agreement to be procedurally unfair, and then holding procedural unfairness of contractual remedies to constitute an exception to the finality rule. *Id.* at 598, 248 N.W.2d at 534.

The Michigan Supreme Court took the initial step toward this holding by narrowing federal precedent upholding the finality of the agreed-upon contractual grievance process to a doctrine which, according to the *Breish* court, intends nothing more than to uphold the finality of arbitration decisions. *Id.* at 593-94, 248 N.W.2d at 529-30.

The court then proceeded to put undue emphasis upon references to arbitration in *Hines* v. *Anchor Motor Freight*, 424 U.S. 554 (1976). As arbitration was the final step of the grievance procedure in *Hines*, the Supreme Court stated, "Courts are not to usurp those functions which collective bargaining contracts have properly entrusted to the arbitration tribunal." 363 U.S. at 593. From this sentence and other similar language, the *Breish* court reached the overbroad conclusion that:

> [A]n individual employee is barred from maintaining a § 301 suit on the merits of his grievance after exhausting a grievance procedure to the final step of a procedure culminating in either "final and binding" arbitration decision or a "final and binding" joint committee decision. This is, essentially, what the Court has characterized as the "finality rule." See *Hines* v. *Anchor Motor Freight, Inc.*, 424 U.S. 554, 96 S.Ct. 1048, 47 L.Ed. 2d 231.

Id. at 596, 248 N.W.2d at 531.

This erroneous conclusion was broadened when the *Breish* court held that underlying the above finding was federal labor law indicating that courts have the power

to determine whether a contractual settlement is, in fact, "final" by determining whether the contractual grievance procedure has attained a "minimum level of integrity." This conclusion was supported by quoting passages out of context from *Hines, supra, Rothlein* v. *Armour & Co.*, 391 F.2d 574 (3rd Cir. 1968), and *Bieski* v. *Eastern Automobile Forwarding Co.*, 396 F.2d 32 (3rd Cir. 1968). *See* 397 Mich. at 600-01, 248 N.W.2d at 532-33.

When the cases cited by the Court in *Breish* are read, it becomes apparent that they at best only tangentially support the propositions for which they were cited. The quotations from *Hines* and *Rothlein* were in reference to whether the union had breached its duty of fair representation. The quotation in *Bieski* came from a portion of the opinion discussing whether the arbitrator was given jurisdiction by the terms of the collective bargaining agreement to determine the dispute in question. At no time did any of the above three cases discuss the *per se* procedural adequacy of the terms of the applicable collective bargaining agreement.

As the *Breish* court's ultimate conclusion that "procedural inadequacy" of a collective bargaining agreement can constitute an exception to the finality rule is unsupported by case authority, this case has not been considered persuasive by courts subsequently considering it. *Breish* has been considered, and rejected, by the Sixth Circuit in *Fortune* v. *National Twist Drill & Tool Division*, 684 F.2d 374 (6th Cir. 1982). In *Fortune*, the plaintiffs claimed they were entitled to have their discharges reviewed by a federal court despite the fact that they failed to allege their union breached its duty of fair representation. Since the plaintiff's collective bargaining agreement provided for a strike vote but no

arbitration in the event negotiations regarding a grievance failed, the plaintiffs relied heavily upon *Breish*.

The *Fortune* Court rejected plaintiffs' position, holding that "[t]he individual employee's right of fair representation is vindicated primarily under the National Labor Relations Act which gives said employee the right to sue the union as bargaining representative for bad faith representation." 684 F.2d at 376, *citing Hines* v. *Anchor Motor Freight*, 424 U.S. 554 (1976), and *Ford Motor Co.* v. *Huffman*, 345 U.S. 330, 337-38 (1954). In coming to this conclusion, the Court noted that it knew of no provision of federal labor law which provided the courts with the power to break a deadlock over a grievance dispute where the parties have failed to provide for arbitration of their disputes. 684 F.2d at 375.

The Court then went on to quote, without further elaboration, passages from two Fifth Circuit cases with holdings contrary to that in *Breish*. The first case cited was *Haynes* v. *United States Pipe & Foundry Co.*, 362 F.2d 414, 416 (5th Cir. 1966), where the court reasoned:

> Congress explicitly stated, by way of a policy, in § 203(d) of the Taft-Hartley Act, 29 U.S.C.A. § 173(d), that in settling grievance disputes, the Act contemplated that the method agreed upon by parties to collective bargaining agreements should be the means of settling such disputes. In suits under § 301(a), the Supreme Court construed this policy as requiring the courts to give full play to the means chosen by parties to a collective bargaining agreement for settlement of their differences.

To clarify this passage, the Court then quoted the Fifth Circuit's opinion in *Harris* v. *Chemical Leaman*

Tank Lines, Inc., 437 F.2d 167, 171 (5th Cir. 1971), where the court held:

> Assuming that grievance procedures have been exhausted by the union, the individual grievant is ordinarily bound by a resulting adverse decision which is "final" and "binding" on the parties to the contract. *Boone* v. *Armstrong Cork Co.*, 5 Cir., 384 F.2d 285 (1967); *Haynes* v. *United States Pipe & Foundry Co.*, 5 Cir., 362 F.2d 414 (1966). "Final adjustment by a method agreed upon by the parties" being the declared goal of federal labor policy, courts will refuse to review the merits of such a decision.

Based upon the above two passages, as well as a lengthy quote from *Ford Motor Co.* v. *Huffman, supra*, not inconsistent with the above, the *Fortune* Court rejected plaintiff's *Breish* arguments and affirmed summary judgment for the defendant. Since *Fortune* was decided, there have been no developments in the case law which might give reason for this Court to reconsider the conclusions and holding reached in *Fortune*.

Breish was most recently analyzed by the Seventh Circuit in *Huffman* v. *Westinghouse Electric Co.*, 752 F.2d 1221 (7th Cir. 1985). Aside from rejecting the *Breish* case in a manner closely paralleling that in *Fortune*, this case is significant for two reasons. First, the Court rejected its earlier dicta in *Ford* v. *General Electric*, 395 F.2d 157, 159 (7th Cir. 1968), where it questioned whether strike provisions in collective bargaining agreements comport with congressional labor policy.

Most importantly, however, the Court in *Huffman* explicitly rejected the holding in *Breish* that interests

in "procedural fairness" can constitute an exception to the finality rule:

> Moreover, unlike the Michigan Supreme Court, we are unconvinced that the employees' claim that the terms of the contract deny them procedural fairness should outweigh the employer's interest in the enforcement of the contract's finality provision. Collective bargaining is a process by which both the union and the employer concede certain points in order to gain advantages elsewhere. If the grievance procedure under this contract favors the employer, the Union (and therefore the employees) presumably gained something in return. We do not, therefore, find convincing the employees' argument that they should be able to escape the terms of the contract the Union bargained for them because another contract might have been more favorable. Nor do we find that argument to be in accordance with the policy of federal labor law that parties to collective agreements should be able to determine between themselves the manner in which they wish to resolve contractual disputes. We therefore agree with the district court that the employees' claims are barred.

752 F.2d at 1226.

Finally, the Sixth Circuit has recently held that, although arbitration is greatly favored by federal courts, it is not arbitration *per se* that federal policy favors, but rather final adjustment of differences by a means selected by the parties. *McCreedy* v. *Local Union No. 971, UAW*, 809 F.2d 1232, 1237 (6th Cir. 1987). Although this holding came down in a Section 301 action to compel arbitration and not in the context of a dispute concerning the finality rule, *McCreedy* re-

affirms the Sixth Circuit's commitment to upholding the contractual grievance procedures which the parties to a dispute had previously agreed upon. Since the decision below is in accord with that policy, this Court should decline to review this matter and deny the Petition for Writ of Certiorari.

CONCLUSION

The national labor policy, as construed by this Court, is that courts will defer to the means chosen by the participants to a collective bargaining agreement for resolution of their disputes. The opinion below is consistent with that policy. Since Petitioners have failed to present any evidence that the decision below evidences a conflict between circuits which merits this Court's review, this Court should decline to review the matter and deny the Petition for Writ of Certiorari.

Respectfully submitted,

CLARK, HARDY, LEWIS,
POLLARD AND PAGE, P.C.

By: /s/ TERENCE V. PAGE P18586
Counsel of Record
/s/ RICHARD M. TUYN P29091
401 South Woodward Avenue
Suite 400
Birmingham, Michigan 48009
(313) 645-0800

Attorneys for Respondent

DATED: February 19, 1990

RESPONDENT'S APPENDIX

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1985 AGREEMENT
BETWEEN RING SCREW DIVISION OF RING SCREW WORKS AND INTERNATIONAL UNION, UNITED AUTOMOBILE, AIRCRAFT AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW) LOCAL NO. 771

* * *

THIS AGREEMENT, made and entered into this 5th day of January, 1985, between the RING SCREW DIVISION of RING SCREW WORKS, hereinafter referred to as the Company, and the International Union, United Automobile, Aircraft & Agricultural Implement Workers of America (UAW) Local No. 771, hereinafter referred to as the Union, agree as follows:

ARTICLE I
RECOGNITION

Section 1. The Company recognizes the International Union, United Automobile, Aircraft & Agricultural Implement Workers of America, Local No. 771, as the exclusive representative of its employees for the purpose of collective bargaining in respect to matters on rates of pay, wages, hours of employment, and other conditions of employment.

Section 2. The term "employees" as used in this agreement shall not include any persons working as foremen, industrial nurses, guards, salaried office and clerical employees, engineering and drafting em-

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[*Printer's Note*]: *Agreement's Table of Contents omitted in this reproduction.*

ployees, firemen, stock chasers, maintenance engineers, technical employees, and supervisors as defined in the National Labor Relations Act, as amended.

Section 3. The management of the plant and the direction of the working forces, including (but not limited to) the right to hire, suspend, or discharge for just cause, the right to adopt shop rules, the right to relieve employees from duty because of lack of work or other legitimate reasons, and to introduce new and improved methods, are vested exclusively in the Company; provided, however, that this will not be used for the purpose of discriminating against any employee because of membership in the Union, subject to provisions of this agreement.

ARTICLE II
UNION SECURITY

Section 1. It shall be a continuing condition of employment with the Company, for the duration of this agreement, that employees covered by this agreement, both present and new employees, shall be members in good standing with the Union. New employees shall become members sixty (60) days after their hiring date.

Section 2. For the purpose of this article, an employee shall be considered a member of the Union in good standing if he tenders the periodic dues and initiation fees required as a condition of membership.

Section 3. The Company shall, from each employee starting sixty (60) days after their hiring date, who, in writing, on form agreed to by the Company and the Union, authorized the Company to do so, deduct union dues in such amount as shall be certified to on such form from wages payable on the first regular

pay-day of each month. All sums deducted shall be remitted to the Union not later than the 30th day of the calendar month in which the deductions are made and shall be accompanied by a record of employees from whom deductions have been made, with the amount of such deductions.

ARTICLE III
UNION REPRESENTATION

Section 1. For the purpose of collective bargaining and for the disposition of grievances, there shall be a Shop Committee consisting of six (6) members maximum who will be elected by employees on the seniority list of the Company and one representative of the Local Union who may act as an ex officio member of the Shop Committee. Members of the Shop Committee shall also act as stewards.

Section 2. Meetings between the Shop Committee and the Company Representatives shall take place during working hours, the Company to pay Committeemen only for time on regular scheduled shift. Should the Company or the Union request a special meeting in writing, such meeting shall be held within three (3) days from such request or as soon thereafter as possible.

Section 3. A copy of the minutes of meetings between Management and the Shop Committee shall be posted on the bulletin board. Minutes to be prepared by the Shop Committee Secretary and shall be approved for posting by the Company Representative.

Section 4. No employee with less than twelve (12) months seniority shall be eligible for any elective office in the Union within the plant.

Section 5. The names of the Shop Committee and the Plant Chairman shall be certified in writing to the Company by the Union.

ARTICLE IV
GRIEVANCE PROCEDURE

Section 1. Should a difference arise between the Company and the Union, or its members employed by the Company, as to the meaning and application of the provisions of the agreement, an earnest effort will be made to settle it as follows:

Step 1. Between the employee, his steward, and the foreman of his department. If a satisfactory settlement is not reached, then

Step 2. Between the employee, his steward(s) and the Manufacturing Manager or his alternate. If a satisfactory settlement is not reached, the grievance shall be reduced to written form and then

Step 3. Between the Shop Committee, with or without the employee, and the Company Management. If a satisfactory settlement is not reached, then

Step 4. Between the Shop Committee, Local Union &/or International Representative, and the Plant Management. If a satisfactory settlement is not reached, then

Step 5. The Shop Committee and the Company may call in an outside representative to assist in settling the difficulty. (This may include arbitration by mutual agreement in discharge cases only.)

Requests for arbitration must be made within thirty (30) days after the decision of the Company has been given to the Union at the fifth step of the Grievance Procedure. A request will be made in writing to the American Arbitration Association which will submit a list of qualified arbitrators for the parties' selection. The arbitrator shall then be selected according to the rules of the American Arbitration Association.

It is understood and agreed that the arbitrator shall have no authority except to determine disputes involving discharges. The arbitrator shall construe this Agreement in a matter which does not interfere with the exercise of the employer's rights and responsibilities except where they have been expressly and clearly limited by the terms of this Agreement. The arbitrator shall have no power or authority to add to, subtract from, or modify any of the terms of this Agreement and shall not substitute his judgment for that of the employer's where the employer is given discretion by the terms of this Agreement. The arbitrator shall not render any decision which would require or permit an action in violation of either State or Federal law. The arbitrator shall have no power to rule upon any case which might otherwise be the subject of a charge of an unfair labor practice or a State or Federal civil rights claim.

The arbitrator's decision shall set forth his findings and conclusions with respect to the issues submitted to arbitration. The arbitrator's decision shall be final and binding upon the employer, the Union, and the employee or employees involved.

Either party shall have the right to secure, serve, and enforce subpoenas for such witnesses as are necessary to the full presentation of its case. The arbitrator's fees and expenses shall be borne equally between the par-

ties. The expenses and compensation for attendance of any employee, witness or participant in the arbitration hearing, shall be paid by the party calling such employee, witness, or requesting such participation.

Section 2.

(a) Grievances alleging an unjust or discriminatory discharge must be submitted in writing to the foreman involved within two (2) working days of the discharge. The Company must render a final decision through the grievance procedure within four (4) working days of the receipt of such grievance.

(b) Any employee who, as a result of such grievance is reinstated, shall be paid by the Company for the time which he would otherwise have worked for the Company and shall be returned to his regular job at his previous rate.

Section 3. The Company shall not consider the grievances of any individual employee unless it is presented in writing under the grievance procedure within five (5) working days of their occurrence, excepting discharges which are governed by the preceding section. The Company must render a final decision through the grievance procedure within three (3) working days of the receipt of such grievance.

Section 4. Unresolved grievance (except arbitration decisions) shall be handled as set forth in Article XVI, Section 7.

Section 5. Members of the Shop Committee and Plant Chairman shall be allowed the necessary time to investigate and adjust grievances promptly.

Section 6. An agreement reached between the Company and the Shop Committee under the grievance procedure shall be binding on all employees affected and cannot be changed by any individual.

ARTICLE V
SENIORITY

Section 1. All persons shall be considered on a probationary basis for a period of six (6) months from the date of hiring and may be laid off or discharged before the expiration of said period without recourse.

Section 2. The Company will prepare and post the seniority list on the bulletin board. It will be brought up to date each six-month period.

Section 3. An Employee shall lose seniority for the following reasons:

(a) An Employee quits.

(b) The Employee is discharged for just cause.

(c) The Employee is absent for three (3) work days from work without notifying the Company unless the employee presents a reason acceptable to the Management and the Shop Committee for not having done so.

(d) The Employee fails to report for work within three (3) working days (five (5) working days when an employee verifies full time employment (minimum of 32 hours per week) at the time of recall) when recalled by the Company after a layoff unless he presents a reason acceptable to the Company and the Shop Committee.

(e) If the Employee is laid off for a continuous period equal to the seniority he had acquired at the time of such layoff period.

(f) If the Employee on extended layoff fails to notify the Company annually of his intention of returning to employment with the Company if recalled. Such notice to be made by certified or registered mail annually within ten (10) working days prior to the anniversary date of layoff. Notice may also be given in person during regular business hours and in such case the employee shall receive a receipt for delivery of notice.

Section 4. An Employee who believes that his seniority rights are being violated shall notify the Shop Committee which, in turn, shall notify the Manufacturing Manager in writing. The Manufacturing Manager will provide the Committee with a receipt showing that he received the notification. If his seniority rights are being violated, and if after notification, the Company fails to rectify its error, the aggrieved employee shall be compensated for the loss of his time at his regular rate from the time of such notification until the time he is restored to work.

Section 5. Shop Committee members shall head the seniority list for purposes of layoff and recall during their term of office and shall be returned to their original standing on the seniority list on the termination of this service.

ARTICLE VI
LAYOFF

Section 1. When it becomes necessary to reduce the work force, the Company shall apply the following program:

(a) All employees shall be given forty-eight (48) hours notice before layoff becomes effective, unless layoff is for less than one week.

(b) All probationary employees shall be laid off first within department.

(c) In the event of any further layoffs, the man who has the least seniority in his department shall be laid off first. Any deviation subject to agreement by the Company and the Shop Committee.

(d) There are two (2) departments — the Tool Department and the Production Department.

(e) The Company agrees not to operate more than five (5) people per shift, excluding heat treat, in excess of forty (40) hours per week during the time employees with more than one year seniority are laid off. The foregoing overtime shall not include more than two (2) Saturdays in a row. Any temporary deviation from the above to be approved by the Shop Committee.

Section 2. When an employee is sent home for lack of work or other causes except sickness, injury or infraction of shop rules, no junior employee shall be permitted to work on a job where such employee was working except in cases of a reasonable emergency approved by the Shop Committee on that shift.

Section 3. Employees with greater seniority shall replace employees who have less seniority whenever any time is to be lost due to lack of work, breakdown, or other causes, exceptions to be approved by the Shop Committee.

ARTICLE VII
RECALL

Section 1. Employees shall notify the Company of any change of address within five (5) days after such change has been effected. They shall receive a receipt

from the Company that such notice has been given. Such notice shall be sent to the Company by United States registered mail or delivered to the Company in person. The Company shall be entitled to rely upon the address shown upon its records.

Section 2. When the seniority list in any department is exhausted, when recalling employees back to work, it is agreed that before any new employee shall be hired, employees laid off in any other department who are qualified to perform the required services shall be called in to such departments to work as new employees until such time as said employees may be called back to work in their own departments by virtue of their seniority therein. Seniority shall be accumulative during layoffs.

ARTICLE VIII
PROMOTIONS

Section 1. It shall be the policy of the Company to advance employees to better jobs by seniority. In filling a new job or vacancy, a determination of practical ability and proper ability to perform services on such new job or vacancy shall be made by the Company and approved by the Shop Committee. Job openings shall be posted until the end of the second business day. Postings shall expire four (4) weeks after posting is removed from the bulletin board. Jobs need not be filled during the four (4) week period, only assignments to jobs must be completed. Employees who are upgraded to a new classification shall be ineligible for any new vacancies for a period of three (3) years where training is required or for eight (8) months if no training is required except by mutual agreement of the Management and the Shop Committee.

Section 2. When the Company determines that an opening in the inspection supervisor classification exists for which bargaining unit members may apply, the Company will review applicants on the basis of their respective merit, ability, and capacity to do the required work. Where merit, ability, and capacity among the applicants as determined by the Company is equal, then seniority will determine the successful applicant.

Section 3. Foremen promoted from the ranks and demoted again shall be allowed to work on the basis of their seniority. Foremen shall accumulate seniority effective January 5, 1980.

Section 4. The Company reserves the right to advance employees of the Company into clerical or other positions not covered by this agreement. In the event the Company shall select any of its hourly rated employees for such position, and it shall thereafter be determined by the Company that said employees are not suited for those positions, then said employees shall be returned to their original occupations and their seniority shall accumulate in the meantime.

ARTICLE IX
TRANSFERS

Section 1. When vacancies occur on the day shift on a job classification, the employee with the most seniority on the night shift in that job classification will be given the vacancy, at his option, and the new employee hired will replace him on the night shift. This applies only when an experienced man is hired from the outside.

Section 2. The Company shall maintain separate seniority lists for the toolroom and production employees. An employee transferring from the production to the

toolroom shall accumulate seniority in the toolroom from the first day he enters the toolroom. When it is necessary to reduce the working force in the toolroom, the employee who has transferred from production will be returned to his original group in place of being laid off with total accumulated seniority.

Section 3. An employee who is transferred to another classification by reason of his exercise of his seniority rights shall assume the rate of pay for the classification to which he is transferred.

Section 4. An employee who transfers to any job, and who fails to make good on that job or is dissatisfied with it, forfeits his right to displace any other employee who has been promoted in the meantime. He will assume the classification of General Factory Worker and must wait until another vacancy is posted for which he is eligible. A transferred employee who is dissatisfied with his new job must notify his foreman within thirty (30) days of the starting date to that effect.

Section 5. The trial period during which it can be determined whether an employee is capable of handling a new job shall not exceed six (6) months.

Section 6. In the event an operation in any department is discontinued, employees on such operation shall be assimilated by the rest of the department according to their seniority and ability.

Section 7. The Company may hire an experienced worker for a replacement or for a new job if there is no person on the seniority list who has the necessary qualifications of the job and proficiency to do immediately such job without training — no posting. The Company shall notify the Shop Committee two (2) days prior to the starting date when a new employee is to be hired under this section.

Section 8. When new jobs are placed in production and can not be properly placed in existing classifications by mutual agreement and whenever an existing job changes substantially after the effective date of the current agreement, Management will set up a new classification and rate covering the job in question and will designate it as temporary. A copy of the temporary rate and classification name will be furnished to the Shop Committee. Within thirty (30) days after such a new job as defined above has been placed into production, the Company and the Union will negotiate the rate and classification. When such negotiations have been completed, they shall become part of the Local Wage schedule and the negotiated rate, if higher than the temporary rate, shall be applied retroactive.

Section 9. Employees shall not be allowed to down grade (that is accept a job of lower rate of pay) below 1/2 SS Boltmaker rate except under provisions of Article VI within three (3) years from the time they upgraded. Exceptions may be made only if acceptable to both the Company and the Shop Committee.

Section 10. When the Company determines that an opening in the toolroom exists for which bargaining unit members may apply, the Company will review applicants on the basis of their respective merit, ability, and capacity to do the required work. Where merit, ability, and capacity among the applicants as determined by the Company is equal, then seniority will determine the successful applicant.

ARTICLE X
LEAVES OF ABSENCE

Section 1. Upon properly written application, written leaves of absence for a specific purpose and specified period of time may be granted employees without loss of seniority at the discretion of the Company and the Shop Committee, a copy of such leaves of absence to be given to the Shop Committee. Leaves of absence are to be limited to a period of three (3) months, subject to renewal. Falsification on the application shall be sufficient cause for discharge of the employee. A notice of such leaves of absence shall be posted on the bulletin board for forty-eight (48) hours after being granted.

Section 2. Members of the Union elected to Union positions or selected by the Union to do work which takes them from their employment with the Company, shall at their request receive leaves of absence. Upon their return, they shall be reemployed at work generally similar to that which they did last prior to the leave of absence with seniority accumulated during each leave of absence. At no time shall members of the Union, either elected or selected by the Union to do work which takes them from their employment, exceed one (1) in number, plus one additional member for up to thirty (30) days.

ARTICLE XI
HOURS OF WORK AND OVERTIME

Section 1. The regular work day shall be eight (8) hours and regular work week forty (40) hours.

Section 2. Employees shall receive time and a half for all work over eight (8) hours in any one day, for over forty (40) hours in any one (1) week, and for work on Saturday; provided, however, that hours worked after

midnight of Friday which are part of the regular Friday night shift shall be paid for at straight time rates for the first eight (8) hours of the shift.

Section 3. Employees shall receive double time for Sunday. They shall also receive double time in addition to their holiday pay for all work done on the following days: New Years Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas, and for any hours in excess of four hours on each shift on December 24 and December 31. Employees shall receive time and a half for other holidays which the Company may schedule to provide the flexibility to meet customer demands.

Section 4. The allowance of an overtime premium on any hour excludes that hour from consideration for overtime payment on any other basis, thus eliminating any double overtime payment.

Section 5. Employees shall not be required to work after five (5) p.m. on December 24 and December 31.

Section 6. The regular work week shall start at 12:01 Monday morning and end Friday 12:00 midnight inclusive.

Section 7. The Company shall specify a starting and quitting time for all operations. The Company shall post notice of permanent changes in starting and quitting times three (3) days prior to the effective date.

Section 8. All employees shall be paid on Company time on Thursday of each week. If a payday falls on a holiday or a department is not working on that day, employees in such department shall receive his/her pay on the day before.

Section 9. When regular shifts extend into Saturday, Sunday, or legal holidays specified herein, all time be-

yond one (1) hour worked within such days shall be paid at overtime rates, except as provided in Section 2 immediately above.

Section 10. Overtime work shall be equitably distributed in each department as nearly as possible by applying a policy of rotation together with the ability of the employees to perform the work.

ARTICLE XII
CALL-IN PAY

Section 1. In the event that an employee reports for work at his regular shift without having had proper notice not to report, he shall be given at least four (4) hours work, or if no work is available, he shall be paid for four (4) hours at the occupational rate of the job for which he was scheduled to report. The Company may at its discretion assign the employee to any work available which he is able to perform, and if the employee refuses such assignment, he shall not receive any pay. In the event of fire, storms, floods, power breakdowns, work stoppages, or other causes beyond the control of the Company which interfere with work being provided, the provisions of this section will not apply.

If an employee is absent from work on the previous scheduled work day, he shall not be entitled to the benefit of the provision if proper notification has been given other employees.

ARTICLE XIII
WAGES

Section 1. When a general factory worker is permanently transferred to a higher rated job he shall receive the minimum rate for the job to which he is transferred. He shall receive fifteen cents (15¢) per hour increase each three (3) months, not to exceed twenty-five (25¢) below top for the job.

Section 2. Employees who are permanently transferred to a lower rated job shall receive one (1) week notice before the transfer is made, and upon the transfer will take the rate of the new job. If one (1) week notice shall not be given, the permanently transferred employee shall be paid for the first week at the rate of his previous job, after which first week he shall receive the rate of the job to which he has been transferred. This section does not apply when the Company downgrades an employee for non-satisfactory job performance or the employee requests the downgrade.

Section 3. The employees (after (60) days for new employees) will be paid for the following holidays:

1985 — Memorial Day, Fourth of July, July 5th, Labor Day, Thanskgiving Day, Day after Thanksgiving, December 23, December 24, December 25, December 26, December 27, December 30, December 31; *1986* — January 1.

1986 — Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Day after Thanksgiving, December 24, December 25, December 26, December 29, December 30, December 31; *1987* — January 1, January 2.

1987 — Memorial Day, July 3rd, Labor Day, Thanksgiving Day, Day after Thanksgiving, December 24, December 25, December 28, December 29, December 30, December 31; *1988* — January 1.

Provided that all pay for holidays is based on the average number of straight time hours worked on the full work day preceding and full work day following the holiday. The average is the number of straight time hours for

which the Company will give holiday pay, multiplied by the employee's straight time rate with no overtime or shift premium included therein; it equals the amount of the employee's compensation for the holiday.

Night shift premiums will be added to holiday pay for all holidays except those holidays falling within the entire Christmas-New Year period.

Furthermore, in the instance of the four (4) or more holidays falling on consecutive days we will use the four (4) scheduled work days prior to the holidays and the first scheduled work day after the holidays and pay for each day of the holiday the average number of straight time hours worked in the aforementioned five (5) days. (This paragraph only effective when an employee missed the day before or day after.)

However, the amount of holiday pay is not to exceed eight (8) hours for the full holiday.

ARTICLE XIV
VACATIONS

Section 1. Each employee who on June 1 has one or more years seniority shall be entitled to a vacation payment as follows:

SENIORITY	*NUMBER OF HOURS PAY*
One Year*	20 hours
One year but less than three	60 hours
Three years but less than five	80 hours
Five years but less than ten	100 hours
Ten years but less than fifteen	120 hours
Fifteen years but less than twenty	140 hours

* Employees who are hired between June 1 and November 1 shall receive twenty (20) hours pay on their first anniversary date.

SENIORITY	*NUMBER OF HOURS PAY*
Twenty years but less than twenty-five	160 hours
Twenty-five years but less than thirty	180 hours
Thirty years and over	190 hours

Section 2. For determining vacation seniority all employees shall use June 1 as a base.

Section 3. Vacation pay shall be computed at the employees regular hourly rate, and no overtime, shift premium, or holiday time shall be included therein.

Section 4. Periods of absence from work for any reasons other than compensable injury in excess of thirty (30) continuous days will be deducted and an adjusted vacation pay made for time actually worked. An employee absent from work for a continuous period of thirty (30) days or longer due to sickness or off-the-job injury shall receive vacation credit for the first thirty (30) days of that absence. An employee who does not work, at least ten (10) full days during the vacation year for any reason including loss of work due to a compensable injury shall not receive any vacation pay.

Section 5. Vacation will be taken at any time before December 1 of that year (may be taken after December 1 with Company approval), but must be arranged with the approval of the foreman of the department who will be governed by the order in which requests are made and conditions in regard to work in that department. The employee shall receive his vacation pay at the time he leaves on his vacation or June 1 whichever is later, but no later than the last working day of August.

Section 6. An employee who has one (1) year or more seniority and for any reason is leaving the employ of the Company, shall receive the vacation pay he would be entitled to according to the seniority as outlined in Section 1, prorated to time actually worked.

ARTICLE XV
INSURANCE

Section 1. The Company will establish an insurance program either under a group insurance policy or policies issued by an Insurance Company or Insurance Companies. A copy of the insurance program is attached and made a part of the agreement. The Company may at its option self-insure Life and S/A Benefits.

Section 2. The Company agrees to pay the cost of furnishing the coverage provided for in the insurance program referred to above and shall receive and retain any divisible surplus, credits or refunds or reimbursements under whatever name made on contracts for insurance.

Section 3. The Company by payment of the premiums of any insurance policy or policies issued by an insurance company or companies selected by the Company in accordance with the program, shall be relieved of any further liability with respect to the benefits of the program under such policy or policies.

Section 4. Unless otherwise specifically provided herein, the Company shall pay all expenses incurred by it in the administration of the program.

Section 5. No matter respecting the program or any difference arising thereunder shall be subject to the grievance procedure established in the collective bargaining agreement between the Company and the Union. The

Company may at its option change insurance carriers to one with comparable coverage. A change in the health insurance carrier is subject to the grievance procedure prior to any change on the basis of comparability only.

Section 6. This agreement and insurance program shall continue in effect until the termination of the collective bargaining agreement of which this is a part.

Section 7. The insurance program summarized here will provide coverage for the eligible employees as follows:

Life Insurance Benefits — Eighteen (18) months new hires $30,000.00
Accidental Death and Dismemberment

Sickness and Accident Insurance — Eighteen (18) months new hires January 5, 1985 ..... $205.00

Hospital and Surgical Benefits — Three (3) Months new hires

Prescription Drug Plan — Eighteen (18) months new hires ..... $3.00 deductible

Dental Care Plan — Eighteen (18) months new hires

Vision Care — Eighteen (18) months new hires

The details of the above will be found in the contracts furnished by the insurance company or companies and the rights of employees covered under these contracts will be found therein and become a part of this agreement.

Section 8. The employee is responsible for notifying the Company immediately when there is any change in their or their family's status with regard to all insurance policies or changes in information previously furnished to the Company.

Section 9. Employees who are laid off shall have the option to pay the first two premiums for basic health insurance (including vision) at the group rate. Payment must be made to the Company by the 20th day of the month in which the Company payment is due.

Section 10. All benefits cease when an employee is off work for one year.

ARTICLE XVI
GENERAL

Section 1. The Company agrees to make every effort to provide proper safety and sanitary conditions and devices in the plant. The use of safety glasses and hearing protection in the plant will be mandatory and will be enforced 100 percent as a condition of employment.

Section 2. When an employee who has been disabled and not working due to compensable injury or occupational disease is able to return to work, he may be placed at work by the Company on any job in its plant regardless of such employee's seniority rating. All employees of the Company waive their seniority rights to such extent in favor of such an employee who is able to and does return to work; provided, however, that such an employee shall have such preferred seniority only for ninety (90) days after his return to work. Whenever practical, such employee shall replace a junior employee. After such ninety (90) days, a review of the case shall be made by the Company and the Shop Committee to determine whether such ninety (90) days shall be extended.

Section 3. The Company will provide bulletin boards for the use of the Union to be located in central locations. All Union notices must be approved and posted

by the Plant Manager or someone designated by him. The Union agrees that no Union notice shall be posted in any other part of the plant.

Section 4. Any employee who has been injured during working hours and is required to leave the plant for treatment or is sent home for such injury shall receive payment for the remainder of the shift on which the original injury occurred at his regular rate of pay providing a doctor or nurse designated by the Company advised that such employee is unfit for further work on that shift. An employee who declines light work within his capability forfeits pay for the balance of the shift.

Section 5. Nothing herein shall permit the Union or any of its members to assume authority to officiate in a managerial or supervisory capacity. The products to be manufactured, the location of the plant, the methods of manufacturing are solely and exclusively the responsibility of the Company.

Section 6. No foreman or assistant foreman shall perform the regular work of an employee, but this shall not be construed to prevent a member of the management from performing operations where an emergency arises, or for the purpose of investigation, inspection, experimentation, information, instruction, or otherwise as may be necessary in the discharge of their supervisory duties. Foremen shall when working on an employee's assigned machine have machine operator present to observe as much as possible.

Section 7. The Union will not cause or permit its members to cause, nor will any member of the Union take part in any strike, either sit down, stay-in or any other kind of strike, or other interference, or any other stoppage, total or partial, of production at the Company's

plant during the terms of this agreement until all negotiations have failed through the grievance procedure set forth therein. Neither will the Company engage in any lockouts until the same grievance procedure has been carried out.

Section 8. It is understood and agreed that in the event of any strike, work stoppage, or interruption or impeding of work on the part of the employees during the life of the agreement, there shall be no financial liability on the part of the International Union, the Local Union, or any of their officers, agents, or members. The sole recourse and exclusive remedy for the employer in such event shall be to impose disciplinary measures upon employees involved.

Section 9. It is agreed that production must be maintained and failure of an employee to do so will cause him or her to be disciplined. Where disciplinary action is involved, a steward will be notified before action is taken.

Section 10. Conditions covered in this contract are subject to State and Federal laws and rules and regulations imposed by any government agency.

Section 11. Economic issues shall not be a matter of negotiations within the period of this contract unless it is by mutual agreement between the Company and the Union.

Section 12. The parties believe that this contract is not in any part contrary to the provisions of any State or Federal law. In the event that it should be later found that a clause, sentence, or paragraph of this agreement is in derogation of the provisions of any State or Federal law, that portion of the contract shall give way to the provisions of the State or Federal law, and if necessary to revise such clause, sentence, or paragraph, the parties will meet and negotiate the same, but all provisions of the contract not so in derogation shall continue in full force and effect without change until the termination of the contract.

Section 13. Employees shall notify the Company in case it is necessary for them to be absent from work. This notice is to be given on the day the employee is absent or previously and include reason for absence and expected duration. Such notice shall be given each day the employee is absent. Failure to comply with this rule makes the employee subject to disciplinary action.

Section 14. Whenever the masculine pronoun is used in this agreement, the feminine pronoun is also included.

ARTICLE XVII

DURATION

Section 1. This agreement shall become effective on the 5th day of January 1985 and remain effective until January 5, 1988, and from year to year thereafter unless written notice is given by either party to the other of its desire to terminate or modify the agreement at least sixty (60) days before the termination date or anniversary date thereof.

RING SCREW WORKS
H. R. CHAPPELL, JR., G. D. SANDER

International Union United Automobile, Aircraft & Agricultural Implement Workers of America, Local Union No. 771

R. HEIDE, Pres. UAW Local No. 771

A. STIEBER, Int'l. Rep., Region 1B, UAW

SHOP COMMITTEE R. LARAWAY, G. SCHAAL, D. WELSH, L. VROEGINDEWEY, K. HOLYFIELD, R. NANCARROW

APPENDIX A
Rates as of January 5, 1985
excluding 5¢ per hour Cost-of-Living float

CLASSIFICATION	*Top Rate*	*Afternoon and Midnite Shift Prem.*	*Rate Range*
Header Set-Up Heavy Trimmer Set-Up Roller Set-Up	14.04	.55	1.15
Boltmaker 1/2 S.S. Boltmaker 3/8 5 Sta. Boltmaker 1/2 5 Sta.	14.17	.56	1.15
Boltmaker 3/8 L.S. Boltmaker 3/8 & 5/16 Boltmaker 1/2 L.S. Boltmaker 8L4 Boltmaker 3/4	14.41	.56	1.15
Boltmaker 3/8	13.85	.54	1.15
Production Leader	14.46	.56	1.15
Chief Ship Clerk	13.66	.54	1.15
Quality Control Supv.	14.65	.57	1.15
Machine Operator	12.40	.40	1.20
Janitor & Sweeper	12.29	.40	1.20
General Factory Worker 15¢ each 2 months	12.62	.50	1.95
Heat Treat Operator	13.71	.54	1.15

APPENDIX B — TOOLROOM EMPLOYEES
Rates as of January 5, 1985
excluding 5¢ per hour C -t-of-Living float

CLASSIFICATION	*Top Rate*	*Shift Prem.*	*Rate Range*
Toolmaker Repairman	15.23	.59	.75
Toolmaker	15.07	.59	.75
Toolroom Machine Hand**	14.78	.58	.75
Learner*	13.60	.53	1.05

*15¢ each 3 months
**15¢ each 8 months

For the second and third year of the contract a payment will be paid on January 15, 1986 and January 15, 1987. The payment will be computed at 2% of the employees earned wages only for hours worked during the previous year.

APPENDIX "C"
Cost-of-Living Allowance and
Annual Improvement Factor

Cost-of-Living Allowance

Effective at the beginning of the first pay period commencing on or after April 5, 1985 and thereafter during the period of this Agreement, each employee covered by the Agreement shall receive a cost-of-living allowance set forth.

The cost-of-living shall not be added to the base rate for any classification, but only to each employee's straight time earnings. The cost-of-living allowance shall be taken into account in computing overtime premium, night-shift premium, vacation payments, holiday payments, and call-in pay.

Basis for Allowance

The cost-of-living allowance will be determined and redetermined as provided below in accordance with changes in the official revised Consumer Price Index for Urban Wage Earners and Clerical Workers (U.S. All Cities Average) published by the Bureau of Labor Statistics, U.S. Department of Labor (1967 = 100) and hereinafter referred to as the BLS Consumer Price Index.

Continuance of the cost-of-living allowance shall be contingent upon the availability of the BLS Consumer Price Index in its present form and calculated on the same basis as the BLS Consumer Price Index for November 1984.

During the life of this Agreement, any adjustment in the cost-of-living allowance that is in excess of five cents (5¢) per hour shall be made at the following times:

Effective Date of Adjustment	*Based Upon Three-Month Average of the BLS Consumer Price Index For:*
First pay period commencing on or after April 5, 1985 and at three-month intervals thereafter to October 5, 1987	December 1984, January and February 1985 at three-month intervals thereafter to June, July and August 1987

In determining the three-month average of the Indexes for a specified period, the computed average shall be rounded to the nearest 0.1 Index point.

The amount of the cost-of-living allowance shall be five cents (5¢) per hour effective with the effective date of this Agreement. Effective April 5, 1985, and for any

period thereafter, as provided above, the cost-of-living allowance shall be a 1-cent adjustment for each 0.3 change in the Average Index for the appropriate three months indicated above with the three month average of September, October and November 1984 as a base. In addition all rates of pay General Factory Worker and below shall receive 1/2 COLA adjustments until such time as the General Factory Worker rate equals 80% of the 1/2 SS Boltmaker rate.

Adjustment Procedure

In the event that Bureau of Labor Statistics does not issue the appropriate Consumer Price Index on or before the beginning of one of the pay periods referred to, any adjustments in the cost-of-living allowance required by such appropriate Indexes shall be effective at the beginning of the first pay period after receipt of the Indexes.

No adjustments, retroactive or otherwise, shall be made due to any revision which may later be made in the published figures for the BLS Consumer Price Index for any month or months specified above.

The parties to the Agreement agree that the continuance of the cost-of-living allowance is dependent upon the availability of the monthly BLS Consumer Price Index in its present form and calculated on the same basis as the Index for November 1984, unless otherwise agreed upon by the parties. If the Bureau of Labor Statistics changes the form or the basis of calculating the BLS Consumer Price Index, the parties agree to request the Bureau to make available for the life of this Agreement, a monthly Consumer Price Index in its present form and calculated on the same basis as the Index for November 1984.

APPENDIX "D"

Pension Plan

Subject to approval of the Board of Directors and Stockholders, the Company will revise the pension plan established in 1955, hereinafter referred to as the "Plan", as follows:

(1) An insurance company shall be designated by the Company, and a contract executed between the Company and such insurance company, under the terms of which, a pension fund shall be established to receive and hold contributions payable by the Company, interest, and other income, and to pay the pensions provided by the Plan.

(2) The Company by payment of the contributions or amounts provided in the above mentioned insurance company contract shall be relieved of any further liability, and pensions shall be payable only from the insured fund.

(3) In the event of termination of the Plan, there shall be no liability or obligation on the part of the Company to make any further contributions to the pension fund. No liability for the payment of pension benefits under the Plan shall be imposed upon the Company, the Officers, Directors, or Stockholders of the Company.

(4) The Company reserves the right to amend, modify, suspend, or terminate the Plan by action of its Board of Directors provided, however, that no such action shall alter the Plan or its operation, except as may be required by the Internal Revenue Service for the purpose of meeting conditions for qualification and tax deductions under Sections 401, 404, and 501(a) of the Internal Revenue Code, in respect of employees who are represented under a collective bargaining agreement in contravention of the provisions of any such agreement pertaining to pension benefits as long as any such agreement is in effect.

(5) Principal provisions of the pension plan are shown below, but the individual booklets which will be furnished each participant contain full information and will be based on the contract entered into with the insurance company.

Effective Date

January 5, 1985

ELIGIBILITY:

All employees who will have completed ten (10) or more years of continuous credited service at retirement.

NORMAL RETIREMENT DATE:

The normal retirement date of all employees will be age sixty-five (65). All employees will be retired on the first day of the month following their 70th birthday.

EARLY RETIREMENT:

If you have completed at least ten (10) years of credited service, you may retire between age sixty (60) and sixty-five (65). You may elect to receive:

(a) A pension at age sixty-five (65) based on your credited service up to your early retirement date.

(b) A pension beginning at your early retirement date based on your credited service up to that date but reduced in accordance with the early retirement table as detailed in the master pension contract.

Medical coverage for employees who elect early retirement with fifteen (15) years of service at age sixty-two

(62) or twenty-five (25) years of service at age sixty (60) for the life of the retiree only. In order to receive payment, retiree may not be employed full time nor earn more than $6,000.00 per year if self employed or working part time.

RETIREE MEDICAL COVERAGE:

Retirees will be reimbursed for maximum $15.50 monthly cost of Medicare from the pension fund. Future retirees will be covered by health insurance carrier with same health coverage as active employees. (Benefits will be coordinated with Medicare and all benefits will cease upon death of retiree.)

RETIREMENT INCOME:

Pensions will be in the amounts set forth below per month for each year of credited service at retirement with a maximum of thirty-seven (37) years. Current retirees 1980 through 1984 thirty-five (35) years maximum 1974 through 1979 thirty-three (33) years maximum. 1973 and prior thirty (30) years maximum. An employee retiring with less than ten (10) years of credited service is not eligible for benefits.

	Future 1/5/85 Per Mo.	*Future Present Per Mo.**
10 years but less than 15	14.00	10.20
15 years but less than 20	15.00	10.40
20 years but less than 25	16.00	10.60
25 years but less than 30	17.00	10.80
30 years and over	18.00	11.00

VESTED PENSION RIGHTS:

Minimum Continuous Credited Service — 10 years

* Retirees' increased benefits will be payable as soon as the insurance company can revise program but not later than March 5, 1985.

DISABILITY INCOME:

Employees with at least fifteen (15) years of service who are between the ages of 40 and 65 will be eligible for a pension of $15.00 per month for each year of service in the event of total and permanent disability. At age 65, the employee will receive the regular retirement income based on service at disability date. The maximum payment shall be 25 years of service, less workmen's compensation benefits or any other disability payments as provided in the master pension contract, exclusive of social security disability payments. Subject to Internal Revenue Service approval.

(6) No matter respecting the plan or any differences arising hereunder shall be subject to the grievance procedure established in the collective bargaining agreement between the Company and the Union.

CONTINUED LIFE INSURANCE:

(7) Continued life insurance shall be provided for employees who are retired under the pension plan in the amount of $5,000.00

VACATION ATTENDANCE BONUS:

Subject to provisions hereafter enumerated, the Company will, beginning with the 1986 vacation year, pay a vacation attendance bonus during the vacation qualifying period of June 1 to June 1, provided that the total scheduled work day hours of work (Monday thru Friday only) during the qualifying period shall be in excess of: 1890 hours for a 2% bonus, 1990 for a 3% bonus, 2140 hours for a 4% bonus of gross pay.

1. Gross pay will be the gross of the 52 weekly pay periods ending prior to June 1 of the vacation year;

2. Each Employee will be allowed five (5) days of absence without penalty;

3. Any vacation days in excess of the following will be considered as absences: (Seniority based on June 1 to June 1)

   One (1) year seniority but less than three years — Five (5) consecutive work days

   Three (3) years seniority but less than ten (10) years — Ten (10) consecutive work days or two periods of five (5) consecutive work days

   Ten (10) years seniority or more - - Fifteen (15) consecutive work days or ten (10) consecutive work days and five (5) consecutive work days

   Twenty (20) years seniority or more — Twenty (20) consecutive work days or fifteen consecutive work days plus five (5) consecutive work days or ten (10) consecutive work days plus two (2) periods of five (5) consecutive work days.

4. Any absence of a full work day (Monday through Friday and Saturdays (see No. 7) where entire plant is scheduled Saturday) in excess of allowed absences shall reduce his vacation bonus by $120.00 per day. This change effective June 1, 1985, and thereafter. In addition, any combination of tardiness or other straight time lost which adds to eight (8) hours shall be considered a day of absence for eight (8) hours of straight time lost. Any tardiness shall be charged a minimum of one-half (½) hour. Tardiness being any time (one minute) after starting time. Time missed prior to or after vacation periods which extends such vacation period shall reduce bonus by two times normal rate.

5. Time lost due to compensable injury will not be deducted.

6. Vacation attendance bonus to be paid July 1 or when employee goes on vacation, whichever is later, but not later than the last working day in August.

7. An employee who has worked less than one-half (½) of the scheduled Saturdays and holidays (Article XI, Section 3) shall be charged one day of each absence below the one-half (½) attendance requirement. In order to be credited with working a scheduled Saturday, the employee must work a minimum of seven (7) hours.

8. The employees shall have five (5) days per year (non-accumulative) over the life of the contract plus a total of eighteen (18) days which the Committee may make advanced application for credit during the life of the contract for approved Union business.

9. Computed bonuses which total less than $250.00 shall not be paid.

BEREAVEMENT PAY:

In the event of death in the immediate family of an employee (new employee after one year), said employee, upon proper application in writing and presentation of proof of death, shall be compensated for any scheduled working time lost Monday through Saturday (in order to qualify for Saturday pay, employee must have worked three (3) of last six (6) scheduled Saturdays) based on eight (8) hour days at straight time. This benefit is intended to compensate an employee only for scheduled working time necessarily lost by the death to the extent of and limited by three (3) scheduled working days on an eight (8)

hour straight time basis. Immediate family shall mean spouse, child, mother, father, brother, sister, natural grandchild, spouse's child, mother, father, sister, brother. This benefit to begin at the time of death and end on the day services are held and is not intended to compensate for time the employee may request after the service or other reasons. When Heat Treat Operators are scheduled seven (7) days they shall be eligible to receive Bereavement benefits for scheduled Sundays.

JURY DUTY:

The Company shall pay an employee (after one (1) year) who necessarily loses time from his job because he has been summoned to jury duty, as certified by the Clerk of the Court, the difference between his straight time average earnings for eight (8) hours per day and the daily jury fee. Maximum of (40) hours per week. No payment to be made if employee volunteers for jury duty. Jury duty shall not exceed forty-five (45) calendar days.

In order to be eligible to receive any credit for the time missed, an employee who is dismissed prior to 12:30 or is scheduled for only a part day shall report to work for the balance of the shift. Afternoon shift employees shall work the number of hours, beginning at his regular starting time, that a day shift employee would have been able to work.

January 8, 1980

Mr. Marian Czarnomski
Local 771 U.A.W.
20424 John R
Detroit, Michigan 48203

Dear Mr. Czarnomski:

In the course of 1980 negotiations the Company and Union agreed that the Company could schedule non-legal holidays as work days and that compensation for these days would be at time and one half. The Company additionally agreed that employee discipline would not be given for missing one of these scheduled days.

Additionally, if an employee is specifically asked if he (or she) is going to work scheduled or part shop operation overtime and the individual does not notify the Company prior to the starting time of the scheduled day, that he (or she) will not work, such employee shall be subject to disciplinary action.

Yours very truly,

RING SCREW DIVISION
H. R. CHAPPELL, JR.
President

HRChr/cs